

Minutes of the meeting of the Council held on 17th February 2015 at Pippbrook, Dorking from 7.00pm to 8.50pm

Present: Councillors Emile Aboud (Chairman), Margaret Cooksey (Vice Chairman), Tim Ashton, Lucy Botting, Lynne Brooks, Stella Brooks, John Chandler, Stephen Cooksey, Mary Cooper, Clare Curran, Rosemary Dickson, David Draper, Paul Elderton, James Friend, Paula Hancock, Raj Haque, Valerie Homewood, Chris Hunt, Roger Hurst, Howard Jones, Bridget Lewis-Carr, Simon Ling, Mick Longhurst, Tim Loretto, Vivienne Michael, David Mir, John Muggeridge, Paul Newman, John Northcott, Corinna Osborne-Patterson, Paul Potter, David Preedy, Sarah Seed, Philippa Shimmin, Peter Stanyard, Chris Townsend (for part of the meeting) and Charles Yarwood.

43. Minutes

RESOLVED: That the minutes of the meeting held on 20th January 2015 be confirmed as a correct record and signed by the Chairman.

44. Apologies for absence

Apologies for absence were received from Councillors Mary Huggins, Stephen Musgrove and Jatin Patel.

45. Disclosure of Interests

Councillor Raj Haque declared a pecuniary interest in item 6 – Business Rate Transitional Relief – as his business would be affected by proposal, left the room during consideration of the item and took no part in the discussion or decision thereon.

Councillor Paul Newman declared a pecuniary interest in item 6 – Business Rate Transitional Relief – as his business would be affected by proposal, left the room during consideration of the item and took no part in the discussion or decision thereon.

46. 2015/16 Budget and Council Tax Resolution

The Council considered the Executive's recommendations with regards to the 2015/16 Budget as set out on page 2 of the agenda, and the draft Council Tax resolutions.

Councillor Chris Townsend, Leader of the Council, proposed and tabled a motion which included recommendations (1) to (6) as set out on the agenda, new recommendations (7) and (8) as follows, and the Council Tax Resolutions set out on pages 27 to 29 of the agenda:

- (7) That the Council implements a cost of living pay award of 1.5% plus £100 per annum, on all salaries, from 1 April 2015, an increase of 2.2% for staff on the lower salaries decreasing to 1.6% for those staff on higher salaries (an overall equivalent of 1.76%).
- (8) That the Council implements an increase in Members' Allowances of 1.5% per annum.

It was noted that recommendations (8) and (9) as set out on page 2 of the agenda were no longer required as all the precepts from partners had been received prior to the Council meeting.

Councillor Simon Ling, Executive Member for Finance and Corporate Services, seconded the motion and introduced the 2015/16 Budget.

The speeches of the Executive Member for Finance and Corporate Services and Leader of the Opposition are set out in Annex 1 to these minutes.

The Council debated the motion in full. In accordance with The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 a recorded vote was taken.

[Post Meeting Note: There was a small typographical error in the table of the Council Tax resolutions attached at Annex A to the report submitted. The table in Annex 2 to these minutes has been corrected and a corrected version has been published in the local press.]

RESOLVED:

- (1) That:
 - i. The proposed budget for 2015/16 be set at £10,055,000.
 - ii. The Council Tax Freeze Grant, offered by Government, be rejected for 2015/16.
 - iii. The Band D Council Tax for 2015/16 be set at £160.52 representing a 1.9% increase in Council Tax on 2014/15.
 - iv. The proposed Capital Programme £11,774,000 be approved.
 - v. The Section 151 Officer's statement regarding the 2015/16 budget and medium term financial outlook for the Council be noted.
 - vi. The reserve of £238,000 previously earmarked for Subsidence be redesignated as a general reserve.
 - vii. That the Council implements a cost of living pay award of 1.5% plus £100 per annum, on all salaries, from 1 April 2015, an increase of 2.2% for staff on the lower salaries decreasing to 1.6% for those staff on higher salaries (an overall equivalent of 1.76%).
 - viii. That the Council implements an increase in Members' Allowances of 1.5% per annum.
- (2) That the Council Tax resolutions for 2015/16 (as set out at Annex 2 to the minutes) be approved.

N.B. Recorded vote

In favour – 35: Councillors Tim Ashton, Lucy Botting, Lynne Brooks, Stella Brooks, John Chandler, Stephen Cooksey, Mary Cooper, Clare Curran, Rosemary Dickson, David Draper, Paul Elderton, James Friend, Paula Hancock, Raj Haque, Valerie Homewood, Chris Hunt, Roger Hurst, Howard Jones, Bridget Lewis-Carr, Simon Ling, Mick Longhurst, Tim Loretto, Vivienne Michael, David Mir, John Muggeridge, Paul Newman, John Northcott, Corinna Osborne-Patterson, Paul Potter, David Preedy, Sarah Seed, Philippa Shimmin, Peter Stanyard, Chris Townsend and Charles Yarwood.

Against - 0

Abstentions – 2: Councillors Emile Aboud and Margaret Cooksey

47. Chairman's Announcements

The Chairman reminded Members of the cheese and wine tasting evening which was being held at Leatherhead Tennis Club on 28th February to raise funds for his charity. A number of tickets were still available at a cost of £15, and the Chairman encouraged as many Members as possible to attend.

48. Business Rate Transitional Relief

The Council considered the report set out at pages 30 to 32 of the agenda in respect of an extension to the transitional relief scheme for small and medium business properties. The Executive Member for Finance and Corporate Services introduced the report and proposed the recommendations.

Councillors Raj Haque and Paul Newman declared pecuniary interests in this item, left the room during its consideration and took no part in the discussion or decision thereon.

RESOLVED:

- (1) That a Local Discount Scheme in respect of Transitional Relief for small and medium business properties be approved.
- (2) That the intention to amend Part 3 of the Constitution to enable the Section 151 Officer, in consultation with the Executive Member for Finance and Corporate Services to adopt such Business Rate and Council Tax discounts as Local Authorities are expected to implement, as detailed in paragraph 1.5 of the report submitted, be noted.

49. Council Constitution Update

The Council considered the report set out at pages 33 to 346 of the agenda. A replacement page 130 had been previously circulated to Members and was tabled at the meeting. Councillor Simon Ling, Executive Member for Finance and Corporate Services, introduced the report and proposed the following:

- (1) That the Development Control Committee comprise 15 Members and that this be implemented with effect from the Annual Meeting of the Council on 19th May 2015.
- (2) That, subject to the decision in respect of (1) above, the revised Constitution set out at Appendix 2 be agreed.
- (3) That, in accordance with Contract Standing Order (CSO)14, the Council delegates authority to the Legal Services Manager, in consultation with the Section 151 Officer, to update the CSOs to take account of any changes to the law as a result of the Public Contract Regulations 2015.

The motion was seconded by Councillor John Northcott.

In accordance with Standing Order 26.8 the Council agreed that recommendation (1) should be put to the vote separately.

The Council debated the motion in full. Councillors Ling and Northcott outlined the background to the recommendation in respect of the size of the Development Control Committee, including the recommendation of the Peer Review of Planning and the deliberations of the Planning Peer Review Working Group. The intent had been to find the most efficient way of taking the most appropriate decisions for residents and applicants.

Other Members, however, were of the view that there was no compelling case for reducing the size of the committee and that the unique nature of Mole Valley with both urban and rural areas and a number of single Member wards meant that a larger committee was more appropriate.

In light of the views expressed during the debate, Councillor Ling, with the agreement of Councillor Northcott, withdrew recommendation (1) of his motion.

With regard to the update of the Constitution, Members noted that the proposed amendments took account of a number of legislative, technical and structural changes which had taken place since its last revision in May 2013. It was noted that the wording of Standing Order 5.2 should be clarified prior to publication of the revised Constitution

RESOLVED:

- (1) That, subject to the clarification of Standing Order 5.2, the revised Constitution set out at Appendix 2 to the report submitted be agreed.
- (2) That, in accordance with Contract Standing Order (CSO)14, authority be delegated to the Legal Services Manager, in consultation with the Section 151 Officer, to update the CSOs to take account of any changes to the law as a result of the Public Contract Regulations 2015.

50. Leader's Statement

In the absence of the Leader of the Council, the Deputy Leader, Councillor James Friend, gave the Leader's statement. He reported that, in the previous week, the Leader and the Executive Member for Planning had attended the launch of the new World at Work website. The website had been developed by local school students and provided a wealth of valuable advice to their peers about preparing for the world of work. Mole Valley District Council, together with other partners within the Gatwick Diamond had sponsored the development of the website in line with our priority to help young people into work and to support the local economy. In further support of our young people, Mole Valley District Council had the previous week hosted four students from Ashcombe School as part of the work experience programme offered to local schools. The students spent time learning about the full range of services the Council offered to residents and what a career in local government entailed. During 2014, 16 young people had come through the work experience programme and officers looked forward to supporting more the following week and again in the summer.

The Deputy Leader advised that at its meeting on 3rd February the Executive had approved the appointment of Broadway Malyan and Nexus Planning as the Masterplanner for the Transform Leatherhead project. There had been a very high standard of bids and the Leader had expressed his gratitude to both the Member and Community Reference Groups for their valuable input in identifying the key questions for the bidders. The decision was based on the key criteria of price and quality and Broadway Malyan and Nexus Planning had stood out as the successful bidder.

The Council was excited to be working with such an experienced organisation; they had now met with both Reference Groups and the Council looked forward to hearing from residents, businesses and communities as the project progressed. The Deputy Leader advised Members not to miss this opportunity to understand the views of the residents of Leatherhead and the neighbouring villages and their businesses. This was a once in a generation opportunity to think about how land was used for retailing, leisure, highways, parking, primary care and schooling. If anyone had anything else they needed to be considered in the project this was now the time to bring it forward. He stressed that this truly was a Masterplan for Leatherhead and that the opportunity had to be taken for the benefit of residents and businesses.

Finally, the Deputy Leader reported that this opportunity had been bolstered by the fact that since the last Council meeting the proposal to transform Leatherhead into a vibrant and flourishing town had received another boost with a further £200,000 funding being awarded to the project by the Coast to Capital Local Enterprise Partnership. This was more great news for Leatherhead and demonstrated the tremendous community engagement, and the commitment of Mole Valley District Council and the Local Enterprise Partnership to help improve the daily lives and prospects for local people.

51. Reports of Executive Members

Councillor James Friend – Executive Member for Wellbeing

The Executive Member advised that Mole Valley District Council was in discussions with two organisations who were interested in using our parks and open spaces to offer health and well-being activities for residents; he encouraged other organisations to come forward and speak to the Council if they were interested in doing the same. He added that five different communities were benefitting from the Heart Start initiative. If other communities wanted to take this up they should contact David Fanthorpe or Patrick McCord in the Partnerships team.

Members were informed that, since the launch of the new Exercise on Referral scheme in partnership with all GPs across Mole Valley and the two Leisure providers, there had been 15 referrals of patients to use our leisure centres as part of their treatment. The referrals had been for a range of conditions both physical and mental health related.

The Executive Member was pleased to announce that so far 140 people had confirmed their attendance at the Childhood Obesity Event that Mole Valley was hosting on behalf of the Surrey Health and Wellbeing Board. In partnership with all Districts and Boroughs, the County Council and Health colleagues, joint action to address Childhood Obesity would be the focus of discussion and speakers from Public Health England would be giving delegates the latest research updates and the opportunity to plan together to tackle this issue. The Executive Member drew attention to the District's parks and open spaces and stated that if the Council came together with other organisations it could really make a difference for a potentially more vulnerable part of society.

The Executive Member reported that Mole Valley's Wellbeing Strategy was being developed to include proposed priorities including dementia and emotional and mental health in children and adults, a focus on at-risk alcohol use, skin cancer and life expectancy differentials in some of our communities.

Finally, Members were reminded of the Safeguarding Training being held prior to the next Council meeting on 10th March. This was part of our commitment to safeguarding across all areas of the Council's staff and activities following the adoption recently of the new policy and procedure. Staff training at a differentiated level was also ongoing.

Councillor Vivienne Michael – Executive Member for Community Engagement and Resident Services

The Executive Member updated the Council on four issues within her portfolio area.

Firstly, she announced that a customer survey on our waste, recycling and street cleaning services was going live on 17th February and would run until 20th March. Members were asked to encourage residents to complete the survey as it would provide a solid foundation on which to build further improvement to the waste collection services ensuring that they were accessible, offered value for money and promoted recycling. The Survey could be completed on-line through the website, and paper copies were available from Pippbrook and the HelpShop or by post.

Members were advised of planned improvements to Mole Valley and Me, the feature on the Council's website which enabled residents to enter their postcode to access information about the services within their local community. The communications team had been working with the ICT team to improve the range of information provided through the feature and also to make it available for use on mobiles and tablets technology, which was increasingly the way people accessed the website. The new refreshed Mole Valley and Me feature would go live on 25th February.

The Executive Member reported that the Benefits team continued to work very effectively in partnership with HMRC on tackling benefit fraud and, since October, the programme of Real Time Information data checking across departments, which gave access to up to date earnings and pensions information, had identified £80,000 of overpayments. The Council was currently taking recovery action on these overpayments in order to bring the money back into the public purse.

Finally, the Executive Member was delighted to report that the Executive had, earlier that month, agreed the Homelessness Review and Strategy for the next 5 years and had committed to achieving the National Practitioner Standard for Homelessness Services. As could be seen from the budget papers, the Council was proposing to invest in achieving this best practice standard so that it could continue to improve services for those facing homelessness. Along with the £1.4m of capital funding recently invested in increasing the Council's stock of emergency accommodation and reducing the use of bed and breakfast, this clearly demonstrated Mole Valley's commitment to better outcomes for homeless households in the District.

52. Questions to Members of the Executive

None received.

53. Motions

Motion 5/2014

The following motion was proposed by Councillor Stephen Cooksey and seconded by Councillor David Draper:

“Council notes:

- a) the strong and enthusiastic participation shown by the people of Scotland in a remarkable democratic process leading to the Referendum on 18 September;
- b) the resulting increased discussion on the devolution of powers from central government in Westminster and Whitehall.

Council believes:

- I. That power should be devolved to the people in all parts of the United Kingdom;
- II. That England is currently ruled over by an over-centralised state that fails to reflect localities and regions;
- III. That concentrating more power to English MPs in Westminster is not the only answer for English devolution and that passing power down to the local areas of England is essential.

Council therefore calls for:

Mole Valley's MPs, the Leader of the Council and the Executive to lobby for urgent major devolution of power, including tax raising and spending, from central government to the regions, counties, boroughs and districts and cities of England.

And that such lobbying should emphasise:

that the devolution of powers and finance to English councils be carried out in ways that enhance and strengthen local democratic bodies. This must include agreement that it shall be for local people and communities to decide their form of democratic leadership without having a specific model imposed (for example directly elected Mayors) in return for more powers;

a recognition that English devolution must include both large cities and county areas, as the many councils not within city regions must also gain greater powers and finance in order to build successful and prosperous futures.”

This motion had previously been referred to the Scrutiny Committee for consideration. That Committee had resolved to recommend to the Council that Motion 5/2014 be rejected.

Members debated the motion in full.

RESOLVED: That Motion 5/2014 be rejected.

.....
Chairman

.....Date

BUDGET SPEECH BY COUNCILLOR SIMON LING, EXECUTIVE MEMBER FOR FINANCE AND CORPORATE SERVICES

“Chairman,

I am hoping that you will agree, and that all members will also agree, that the report before us is comprehensive and well written, and does not need much clarification.

However I would like to emphasis a number of points and I will do so in the context of the revised recommendations which we are asking Council to accept. These are set out on the desk in front of you tonight.

I am very pleased to be able to present a balanced budget, one that shows very little change in the total net cost of services, and one moreover that introduces no cuts in services.

I should start by thanking the Standing Budget Panel for their work on the budget, and also the Scrutiny Committee. I take it from the Panel's report and the Scrutiny debate that all parties are generally content with the proposals, and are aware of certain risks which may affect future decisions, such as the possibility of a downward trend of business rates in the District, and what may have to be done in the future with car parking charges.

I will start with item 1 of the recommendations which is the principle purpose of this exercise, namely to accept the budget which is for net expenditure of £10,055,000, equalling the funding which we are to receive next year.

Apart from Council tax and our investment income, our funding comes from Central Government in the form of a Revenue Support Grant and the incentive schemes known as New Homes Bonus and Retention of Non-Domestic Rates. These schemes are referred to in paragraphs 7 to 22 from page 7 of your agenda.

Our Revenue Support Grant has been reduced by £400,000 or the equivalent of 6.7% increase in Council Tax.

The New Homes Bonus was introduced some 4 years ago for a period of 6 years and effectively pays councils a premium based on the relevant rate of Council tax for each new home (less homes taken out of use) in each year. There is considerable uncertainty about whether and how the scheme will be replaced when it expires in 2016/17. With that in mind we decided to reserve the amount of the bonus each year and release just £1m to revenue. We have been able to do this so far, but because of the relatively low rate of new building in the District our total receipts next year will not add much to the reserve being carried forward and consequently our cushion for the period following the cessation of the scheme is not as comfortable as we might have liked.

The retention scheme for National Non Domestic, or Business rates, is of significantly more benefit to us, at least potentially, than the New Homes Bonus. If we were able to increase the total rateable value of the District above the baseline set by the Government, we are able to retain 20% of that surplus, rather than the 2% or so of the total amount collected up to the baseline. There is however also a significant downside risk, because if the total collections fall below the baseline, we lose 40% of that deficit. For 2015/16 we are anticipating an increase in collections as a result of recent business developments, and this has a beneficial effect not only because of the retention scheme but also because of a pooling scheme describe in paragraph 21 on page 9 of your agenda.

We have adopted a similar reserve scheme for the benefits of this pooling arrangement as for New Homes Bonus, on order to spread the benefit over three years, as we do not expect to be able to take part in another such scheme for that period of time. Despite this reserve

arrangement, the benefit we expect from Business Rates next year does much to compensate for the reduction in our Revenue Support Grant.

Our investment income is expected to be much the same next year as this, but I will return to this topic in the context of the capital budget later.

This brings me to our proposals on the freeze grant and council tax in recommendations 2 and 3.

The logic of our decision to reject the freeze grant is set out clearly in paragraphs 10 to 13 on page 8. Were we to accept the freeze grant, which is only for one year, we would have to raise the rate next year by 1.9% above whatever is actually needed next year in order to be in the same position as we will now be.

The proposed increase in Council tax is sufficient to balance our budget. If we had needed to propose an increase of 2% or more we would have been required to hold a referendum, which itself would cost the equivalent of a further 4% or more. So the choice is effectively 1.9% or 6%, and I would agree I suspect with most of our residents that 6% is too much. I am sure it is better for everybody to have a small increase each year rather than a large increase every few years. Such a thing is hard for family budgets to cope with.

Moving on to Recommendation 4, the capital programme for next year includes two exciting new projects. The proposals for the transformation of the Meadowbank football ground have received universal approval, and while the refurbishment of Pippbrook is less universally welcomed, it also will be a good investment for the Council in terms of reduced running costs, but as I mentioned earlier this will have a significant effect on our investment income in future years as cash is expended on these projects

Recommendation 5 is to note the statement by our Section 151 Officer which confirms the integrity of our budgeting process. While it is not strictly relevant to the budget I would like to remind members of the result of the external audit of our accounts for last year, which produced no, I repeat no, adverse comments or adjustments to the figures. This demonstrates the expertise of our accounting department, and this expertise has also produced this budget.

Recommendation 6 is a technical adjustment. We review our reserves regularly and when, as in this case, the purpose has become unnecessary, we are able to release a reserve into general funds.

Recommendation 7 relates to our proposal for the annual cost of living pay award for staff. We believe that our proposal of a £1.5% plus £100 increase on all salaries provides the appropriate balance between the need to keep costs down for Council Taxpayers, while continuing to ensure that we can recruit, retain and motivate high quality staff in a very competitive employment market. Such staff are key to delivering value for money public services to our residents and communities. The proposed increase equates to a 1.76% increase overall, and is affordable within the proposed budget.

Recommendation 8 is perhaps the one that is most controversial. Members' allowances have not been adjusted for many years, seven I understand. However, the independent review panel has now recommended an increase linked to the cost of living increase in staff pay, and I believe we should accept this recommendation. Consequently we are recommending an increase in Member Allowances of 1.5%, the same as the headline increase in staff pay.

The remaining two recommendations from the Executive, two weeks ago, are no longer required as we now know the decision made by the Police and Crime Commissioner. There will not be a Council Tax referendum this year.

Finally I would like to make a few comments about future years. We have a General Election in May and the result of this may well affect our assumptions about future funding. However I think we can be sure that our funding from Central Government will not increase. We will be

needing to find ways of dealing with funding shortfalls of £300,000 or so in each of the next two years after the one for which this budget is set. That figure is equivalent to about 5% increase in Council tax. We are also unlikely to experience an increase in business rates which may worsen the situation further.

We have for some years recognised that we need to exploit our assets more efficiently in order to generate more cash flow. We have been and are being successful in achieving this but the opportunities for repeating this are diminishing. The project to sell on the allotment land in North Leatherhead is still theoretically on the table, but for a number of reasons is unlikely to come to pass for some years. There are other possibilities but little which might yield a similar benefit. So what can we do?

We have for many years been a debt free Council. This is admirable, and I would not advocate any borrowing to finance revenue deficits. However borrowing to finance a new asset which will provide us with an additional income stream is quite a different matter. A number of Councils are already doing this, and it may be that there is merit in such a policy in the medium term.

However that is for the future. For the present, we are proposing a budget for next year which is balanced, which maintains all the Council services, and which is drawn up with expertise and integrity. I commend it to the Council.”

BUDGET SPEECH BY COUNCILLOR DAVID PREEDY, LEADER OF THE OPPOSITION

“Constructive Opposition

Thank you Chairman. When the current Administration took office just under three years ago, the Liberal Democrats undertook to provide a constructive opposition – an opposition that would contribute positively to improve the way the Council operates as well as drawing attention to areas where we think the Administration is failing. I hope that this speech will follow that approach.

As last year, I find myself in the unusual position of speaking in support of the core content of this budget, not because we agree with every detail (and I will later point out some things we would do differently) but because the constraints the Council faces mean that there is little scope for a fundamentally different approach. Pressure remains on our key sources of funding and though the coming year looks relatively benign the medium-term outlook is still challenging.

Change of culture

Last year, £300k was removed from budgets simply because officers were working more smartly to manage within their budgets and finding that they didn't need so much head-room to work with. I welcomed this at the time and I draw Councillors' attention to this because it reflects a significant change of culture. I am pleased that proposals the Liberal Democrats made 3 years ago have assisted in the change of culture. Firstly we called for a medium-term Financial Review so we could all see the likely risks the Council faces – especially in terms of its funding streams. Secondly we called for increased transparency with the monthly financial reports being made available to all Members. These changes have undoubtedly contributed to the more stable financial situation we now face. I shall come back to these issues of risk awareness and transparency later in my speech.

I propose in this speech to comment on the funding position, on the revenue budget and on our position as regards capital and assets.

Funding

We know that our future income does not fully cover the impact of inflation on our costs. Whilst Central Government is rapidly running out of Revenue Support Grant that it can take away, it would be naïve to believe that our finances may become independent of interference from central Government. On the one hand there are transparent policies such as the New Homes Bonus and retention of Business Rates, which explicitly seek to encourage certain behaviours by local authorities.

More concerning in my view, we face apparently-unrelated decisions from DCLG which, either by design or by the law of unintended consequences, are presenting real risks to our financial situation. I want to highlight two of these:

- The decision to remove Section 106 and affordable housing contributions from smaller-scale developments will penalise areas such as Mole Valley where new development tends to be on smaller sites simply because we are surrounded by Green Belt. High house prices locally mean that these charges have not deterred house-builders – so the effect of removing them is simply to inflate the profits for developers and reduce our ability to provide more affordable housing. Section 106 has been an important source of funds to improve our infrastructure, but perhaps now is not the best time to remind motorists of the value the West Street improvement will in time bring.
- Likewise the granting of Permitted Development Rights to convert offices into accommodation hits us badly. Of course it provides more homes – but not the affordable housing which we so desperately need - but it is making it harder for potential employers to find suitable commercial premises. Rather than being a District where residents can work, rest and play, we risk drifting into one where we commute, rest and

play. Moreover, this change will affect the Council's income as we lose substantial amounts of business rates.

Our Administration needs to take a more active role working with groups like the Local Government Association in resisting decisions such as these and ensuring their true impact is fully understood.

Revenue budget

Moving on to the revenue budget, our side of the chamber accepts the need for an increase in Council Tax to provide some cover for the impact of inflation on our costs. We also agree with the proposed increase in staff salaries and the way this is structured to provide a greater percentage increase for the lower paid who have been worst hit by pay restraint.

We also welcome the recommendation to increase Members' Allowances, which apparently was too sensitive to be discussed openly at the Executive meeting. Whilst our staff were facing a wage-freeze, it would have been entirely inappropriate for Councillors to increase their allowances. However with a less harsh position for staff we support the Administration's acceptance (albeit partial) of the recommendations of the Independent Remuneration Panel – recommendations they chose to ignore last year. I say partial acceptance because whilst the %age rise in staff salaries ranges from 1.6% to 2.2%, the increase in Allowances is kept to 1.5% - a churlish decision but I'm sure that the £168 saved will be put to good use.

With almost no changes proposed in the revenue budget, the key issue is whether other things should have been done. A Liberal Democrat administration would have used a "quiet" year to evaluate a few options:

- We would have worked with the Citizens Advice Bureau to see whether a modest grant increase could have enabled them to reverse the cut in hours forced on them by previous cuts in grant. The national roll-out of Universal Credit should remind us of the major changes to the welfare system which are placing real pressure on many of our more vulnerable residents. Moreover the CAB services reduce the pressure on our own housing department.
- We would also have looked more creatively at some fees and charges:
 - We would have looked at whether the opportunity provided by lower fuel prices could have been used to stimulate more use of the Dial-a-Ride service – particularly in conjunction with other Council services such as day-centres; certainly the increase in fares seems inappropriate;
 - With the increased supply of car-parking in Dorking following the new Waitrose car park, we should be looking more creatively to ensure that our car parks are kept well-used and serve the needs of local residents. The lost income attributable to the new Waitrose car-park and the freeze on the standard parking rates amount to £95,000. A change of this magnitude really calls for some more imaginative approaches to encourage more people into our town centres. We would have looked at three issues:
 - Tackling the post-code lottery that is developing for inner-town residents, some of whom are being offered Residents' Parking Schemes whilst residents in neighbouring streets are forced to much more expensive season tickets in our car parks – since these raise only £9,000 per year, there must be scope for a less divisive approach.
 - Likewise town-centre staff are increasingly forced into off-street parking, increasing the costs of doing business in our towns. Their season tickets are being increased again at twice the rate of inflation.
 - We would have used the opportunity of a "quiet" financial year to assess the impact of a reduced half-hour rate in our car parks throughout the District and not just in the smaller shopping areas. What's good enough for the self-proclaimed "special place" should be good enough for the rest of us.

With the ability to retain more of any increase in Business Rates, there is a direct payback from steps taken to boost local trade and help businesses recover as the economy returns to growth. This year should have been used to evaluate changes like this.

Capital position

Normally the capital budget gets little attention in the budget debate. However, given the medium-term pressures on the revenue budget, there is general agreement that we need to use our assets more effectively to create a resilient income stream to maintain services. Moreover as we look at potentially significant initiatives such as the Leatherhead Masterplan, which all parties support, we need to up our game in this area.

We are all aware of the poor legacy left by previous administrations – whether it's the massive bills to restore Pippbrook House, the need for a major refurbishment programme in this building – if not to keep the lights on, then to keep the heating on – or on a smaller scale the decision to sell off part of the Foundry commercial site in Dorking for housing, primarily because this Council-owned property was no longer fit for purpose. Here's another example of losing valuable commercial space – but one where we are the landowner.

I referred earlier to the change in culture which has stabilised our revenue budget management; we need to embark on a similar change as regards our capital programme – and it needs to be based on the same principles of risk awareness and transparency. It needs to start with the capital approval process, continue through project delivery and on into operational use to ensure that the anticipated benefits of any initiative are indeed delivered.

Let's look at two recent examples:

- The assessment of the Pippbrook site took a year of hard effort (much of the credit going to ex-Councillor Caroline Salmon) to work out that the initial recommendation that there was no viable alternative to demolishing this building wasn't the full picture – that indeed refurbishment was the option that gave the best financial impact on Council Tax;
- Another case relates to the recently-approved Meadowbank development - a project we fully support as creating a great community asset. It should also generate a reasonable financial return. However the process by which this was approved lacks transparency and sets a poor foundation on which to deliver a successful initiative. Our Executive committed millions of pounds without a properly documented business case or risk assessment – without even a published outline plan of the changes proposed. It would not have delayed the project to follow a proper process, but the Executive decided to cut corners and in doing so has set a precedent for poor management later on. What confidence can we have that the decision regarding the operating regime will be well-considered – or that, down the line, appropriate maintenance will be carried out? Without a proper business case, how can the public know that the full opportunity offered by this scheme will be realised?

Our processes for looking at our capital and assets need a culture change as far-reaching as our revenue budgets have had – and they need to be based on the same core principles of transparency and risk management. This needs to involve:

- Complete business cases and better risk assessments to support investment decisions;
- More transparent reporting on our capital spend so we can tell whether a project has underspent, is running late or has had a cut in scope;
- Genuine management of the planned benefits to ensure intended outcomes are realised;
- Transparent reporting of the true state of our assets, so we are less tempted to cut corners on preventative maintenance.

This requires a change of culture both for officers and for councillors - especially those on the Executive; otherwise we will fail to make best use of the money we are investing on behalf of our residents.

In conclusion then, this side of the Chamber recognises the limited scope for major changes in this year's budget. We have indicated some areas where we would have taken a different approach. However, despite these differences, we will be supporting the Budget.

We congratulate the Officers on delivering the projected surplus for the current year and on their adaptation to a better way of managing their budgets – more transparently and with greater risk awareness. And we look forward to proposals as to how this Council can similarly improve the way it manages its assets and capital to the benefit of our residents.”

MOLE VALLEY DISTRICT COUNCIL
COUNCIL TAX RESOLUTIONS 2015/16

1. That it be noted that on 17th February 2015 the Council calculated the 2015/16 Council Tax Base

(a) for the whole Council area as **39,632** equivalent Band D properties

[Item T in the formula in Section 33(1) of the Local Government Finance Act 1992, as amended (the "Act")]

(b) for dwellings in those parts of its area to which a Parish precept relates: **8,681** equivalent Band D properties

2. The Council calculated that the Council Tax requirement for the Council's own purposes for 2015/16 (excluding Parish precepts) is **£6,361,729**.

3. That the following amounts be calculated for the year 2015/16 in accordance with Sections 32 to 36 of the Act:

- (a) **£44,204,700** **the Council's estimated gross expenditure** - being the aggregate of the amounts that the Council estimates for the items set out in Section 32(2)(a) to (e) of the Act.
- (b) **£34,149,700** **the Council's estimated gross income** - being the aggregate of the amounts that the Council estimates for the items set out in Section 32(3)(a) to (c) of the Act.
- (c) **£10,055,000** **the Council's estimated net expenditure or "budget requirement"** - being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 32(4) of the Act
- (d) **£3,693,271** **the Council's central government funding (revenue support grant, new homes bonus grant and council tax freeze grant) plus retained business rates plus interest on investments plus surplus on the Collection Fund** - being the aggregate of the sums which the Council estimates will be payable for the year into its general fund in respect of government grant, retained non domestic rates, new Homes Bonus and interest on investments, increased or decreased by the amount of any sums which the Council estimates will be transferred in the year to or from its Collection Fund to its General Fund in accordance with Section 97(4) of the Local Government Finance Act 1988 (Council Tax surplus).
- (e) **£6,361,729** **the Council's Council Tax Requirement** – being the amount at 3c above, less 3d above, in accordance with s31A of the Act, as amended by the Localism Act 2011
- (f) **£160.52** **the average band D Council Tax** - being the amount at 3(c) above less the amount at 3(d) above, divided by the amount at 1(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its council tax for the year.

(g) £180,371

the sum of the parish precepts (excluding grant) set by the thirteen Parish Councils - being the aggregate amount of all special items referred to in Section 34(1) of the Act.

4. To note that Surrey County Council and Surrey Police Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2015/16 for each part of its area and for each of the categories of dwellings.

Council Tax Schedule 2015/16	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Surrey County Council	813.12	948.64	1,084.16	1,219.68	1,490.72	1,761.76	2,032.80	2,439.36
Surrey Police	143.93	167.91	191.90	215.89	263.87	311.84	359.82	431.78
Mole Valley	107.01	124.85	142.68	160.52	196.19	231.86	267.53	321.04
Total Non Parish	1,064.06	1,241.40	1,418.74	1,596.09	1,950.78	2,305.46	2,660.15	3,192.18
Parish Councils								
Abinger	1,079.60	1,259.53	1,439.46	1,619.40	1,979.27	2,339.13	2,699.00	3,238.80
Betchworth	1,076.96	1,256.45	1,435.94	1,615.44	1,974.43	2,333.41	2,692.40	3,230.88
Brockham	1,072.34	1,251.06	1,429.78	1,608.51	1,965.96	2,323.40	2,680.85	3,217.02
Buckland	1,082.06	1,262.40	1,442.74	1,623.09	1,983.78	2,344.46	2,705.15	3,246.18
Capel	1,078.70	1,258.48	1,438.26	1,618.05	1,977.62	2,337.18	2,696.75	3,236.10
Charlwood	1,084.58	1,265.34	1,446.10	1,626.87	1,988.40	2,349.92	2,711.45	3,253.74
Headley	1,088.78	1,270.24	1,451.70	1,633.17	1,996.10	2,359.02	2,721.95	3,266.34
Holmwood	1,079.48	1,259.39	1,439.30	1,619.22	1,979.05	2,338.87	2,698.70	3,238.44
Leigh	1,079.24	1,259.11	1,438.98	1,618.86	1,978.61	2,338.35	2,698.10	3,237.72
Mickleham	1,076.54	1,255.96	1,435.38	1,614.81	1,973.66	2,332.50	2,691.35	3,229.62
Newdigate	1,070.60	1,249.03	1,427.46	1,605.90	1,962.77	2,319.63	2,676.50	3,211.80
Ockley	1,078.52	1,258.27	1,438.02	1,617.78	1,977.29	2,336.79	2,696.30	3,235.56
Wotton	1,071.08	1,249.59	1,428.10	1,606.62	1,963.65	2,320.67	2,677.70	3,213.24
	2014/15			2015/16				
Parish Councils	Tax Base	Precepts £	Council Tax Band D (£)	Tax Base	Precepts £	Council Tax Band D (£)	Increase / (Decrease) (£)	
Abinger	927.30	20,700	22.32	927.60	21,650	23.31	0.99	
Betchworth	508.70	8,275	16.29	527.20	10,220	19.35	3.06	
Brockham	1,229.60	15,295	12.42	1,255.60	15,595	12.42	0.00	
Buckland	288.70	8,375	28.98	295.70	7,982	27.00	-1.98	
Capel	1,586.90	30,600	19.26	1,661.20	36,550	21.96	2.70	
Charlwood	952.10	29,985	31.50	1,000.10	30,775	30.78	-0.72	
Headley	333.60	11,800	35.37	343.50	12,750	37.08	1.71	
Holmwood	398.90	11,700	29.34	416.90	9,650	23.13	-6.21	
Leigh	428.40	10,049	23.49	439.70	9,999	22.77	-0.72	
Mickleham	216.60	4,300	19.89	226.50	4,250	18.72	-1.17	
Newdigate	830.90	8,400	10.08	847.90	8,350	9.81	-0.27	
Ockley	411.40	8,900	21.60	431.70	9,350	21.69	0.09	
Wotton	301.70	3,300	10.98	307.90	3,250	10.53	-0.45	
Total	8,414.80	171,679		8,681.50	180,371			

Background

6. The statutory basis of the above calculations is the Local Government Finance Act 1992 with subsequent amendments in the Localism Act 2011 and the Council Tax (Demand Notices) (England) Regulations 2011, which came into effect from 1 April 2012.

7. The precept levels of other precepting bodies have been received. These are detailed below.

Parish Councils

8. The Parish Council Precepts for 2015/16 are detailed above and total **£180,371** with an average Band D Council Tax figure of **£21.43** for 2015/16.

Surrey County Council

9. Surrey County Council met on 10 February 2015 and set a Band D Council Tax of **£1,219.68**, an increase of **1.99%** over the previous year.

Surrey Police & Crime Commissioner

10. The Surrey Police & Crime Commissioner has set a Band D Council Tax of **£215.89**, an increase of **1.99%** over the previous year.